



Finance Bill 2017 Update

LIFE ADVISORY SERVICES

Finance Bill 2017 was published on Thursday 19th October 2017, and it gave effect to the measures announced as part of Budget 2018.

Capital Acquisitions Tax

Confirmation of the changes to Agricultural Relief from Capital Acquisitions Tax (CAT), were published in the Finance Bill 2017.

- This means that the definition of 'agricultural property' will include agricultural land on which solar panels have been installed. A restriction has, however, been applied such that the land used for solar panels must not exceed 50% of the land that was gifted or inherited.
- Land leased for the purposes of solar energy production will also now be treated as a 'qualifying asset' for the purposes of Retirement Relief from Capital Gains Tax.

Some small technical amendments to the CAT legislation were also published.

- In relation to the Dwelling House Exemption, a property inherited by a 'dependant relative' does not have to have been the principle private residence of the donor for the exemption to apply.
- Another item confirms the relief available under Section 85 CAT Consolidation Act for retirement benefits to include vested retirement annuity contracts. That is, the same treatment as applies to an Approved Retirement Fund (ARF).

No changes were announced, however, to the current group tax free thresholds or to the annual small gifts exemption though changes to these amounts were expected.

Exit Tax

- A small technical change was announced to the exit tax legislation which extends the exemption from exit tax on the assignment of a life policy to cover assignments to a qualifying company (within the meaning of Section 110 TCA 1997).
- This covers the bulk transfer of loan books by qualifying companies and the policies held as security for any loans transferred by those companies.

We will follow any updates to these sections as the Bill proceeds through the various government stages and will confirm if there are any changes to the final wording in the Finance Act when published.

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